

Public Chapter 174

HOUSE BILL NO. 1280

By Representative Stulce

Substituted for: Senate Bill No. 1607

By Senator Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to the sales and use tax exemptions under certain circumstances.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 7, is amended by adding the following as a new section:

(a) There shall be exempt from any increase in the local option portion of the sales and use tax imposed by this part all sales contractually committed and/or for which money has been paid before the effective date of the increase.

(b) This section shall only apply:

(1) In any municipality having a population of more than one hundred thousand (100,000) according to the 1990 Federal Census or any subsequent census and whose rate is now higher than that of the county in which it is located; and

(2) To sales made in the ordinary course of business and not accelerated for the purpose of avoiding the tax as determined by the municipal officer in charge of collecting the tax. Such officer may make such refunds as are necessary to effectuate the purposes of this act.

(c) The powers conferred by this section are in addition and supplemental to the powers conferred by any other law, charter, or home rule provision.

SECTION 2. If any provision of this act, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to sales contractually committed and/or for which money has been paid on or after July 1, 1996 through June 30, 1998.